"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION

The Marlboro "Exclusive Night of Entertainment" program provides Marlboro a platform of interaction with smokers within a smoker-friendly environment.

The Marlboro "Exclusive Night of Entertainment" program is a grassroots program which utilizes the current bar and dance trend with the added enhancement of a special appearance by a major recording artist.

The program is structured to attract the current young adult smokers on our database.

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION PROGRAM OBJECTIVES

- Create news and excitement
- Allow YAS an alternate way to use Marlboro miles to gain entry into a YAS event
- Dimensionalize "Ranch Party"
- Utilize the current Marlboro database among YAMS/YAFS
- Extend Marlboro imagery where we have equity in a smoker-friendly environment

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<u>"EXCLUSIVE NIGHT OF ENTERTAINMENT"</u> FOR MILE REDEMPTION STRATEGIES

The overall strategy is to utilize a direct-mail piece mailed to the Marlboro consumers in two markets (three nights in each market) inviting consumers to an "Exclusive Night of Entertainment" featuring an evening with a live major recording artist to perform for 75-90 minutes. Additionally, consumers will have the opportunity to socialize with the artist for approximately 45 minutes for an autograph and picture session. The evening will conclude with a celebrity DJ featuring "dance music" for an additional 2-3 hours at the venue.

- Provide a night of valued entertainment to the first 1,000 invited YAS (and their guests); YAS must be 21 years of age or older and must show up at the venue with 300 Marlboro miles to redeem for entrance
- Provide direct-mail piece/invitation to YAS on database
- Leave behind permanent signage at each venue (neons)
- Provide food from Marlboro cookbook, free non-alcoholic beverages and cash bar

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION PROGRAM ELEMENTS

The following elements comprise the "Exclusive Night of Entertainment" Program:

- A Marlboro direct-mail piece will be mailed to specific demographics within the Marlboro database 4 weeks prior to program
- Identify and contract the major artists for music event that are presently touring/near or around the recommended Marlboro markets
- Identify and contract venues/clubs with a capacity of 1,500 2,000 frequented by the specific demographics in each city
- "Exclusive Night of Entertainment" will be held on Monday, Tuesday or Wednesday to provide a value-added event for both consumers and club owners, and utilize touring bands' available nights
- Identify and contract celebrity DJ/Host to enhance the evening with cutting edge dance music for balance of evening

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION ON-SITE ACTIVITIES

Banners, neon, etc. will be left behind. Essentially, Marlboro visibility will reinforce its imagery at each venue/club during this time period.

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION ESTIMATE

Budget Description	1		6 Nights 1,500/night inclding Guest
Guest Catering: Recipes from Marlboro Cookbook	Suggested	\$135,000	9,000 consumers @ \$15.00
Consumer Incentives		\$0	Residual low-end items
Promotional Materials: Neons, Bar Kit (Napkins, Stirrers, etc.)	Banners, Posters,	\$100,000	
Host/Celebrity DJ		\$18,000	\$3,000/night x 6 nights
Leo Burnett		\$25,000	
On Site Execution (Labor) Management Fee (warehouse administrative costs, staff travel)		\$25,000	6 nights x 8 hours x 10 surveyors = 480 hours @ \$15.00 = \$7,200 2 local managers - 2 days for 1 day each warehouse/training x 6 events @ \$225 a day = \$1,800
Promotion Management Fee (Promoter - To Be Bid)		\$36,000	8% of Talent
Talent Promoter Travel Expenses		\$9,000	
National Talent		\$450,000	\$75,000/night/performance
Home Economist		\$2,000	2 local caterers (Marlboro recipe)
Venue/Club Fee		\$30,000	\$5,000 for each venue
Tickets for turnaways @ \$10 each		\$6,000	\$1,00 per venue/club (6 nights)
Advertising/Direct Mail		\$100,000	
TOTAL BUDGET		\$936,000	

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION

Timeframe:

4th Quarter

Markets:

New Orleans Detroit St. Louis Chicago Philadelphia Atlanta

Suggested Artists:

Contemporary Rock

- Radiohead
- Dave Matthews Band
- Sugar Ray
- The Verve
- Third Eye Blind
- Foo Fighters
- Matchbox 20
- Modesky, Martin & Wood
- Big Band Voodoo Daddy
- Nitty Gritty Dirt Band
- Kentucky Headhunters
- Bush

Traditional Rock

- Aerosmith
- Van Halen
- Tom Petty
- Wallflowers

Country

- Travis Tritt
- Marty Stuart

Urban Contemporary

- Maxwell
- Lisa Stansfield
- Tony Rich

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<u>"EXCLUSIVE NIGHT OF ENTERTAINMENT"</u> <u>FOR MILE REDEMPTION</u> <u>SWOT ANALYSIS</u>

STRENGTHS

- Established Marlboro consumer database
- Recognized as a serious, knowledgeable event sponsor
- Well received by bar and dance community
- Strong executional and team support
- Rapport with smoker-friendly venue/club
- Providing venue with exclusive event at no cost

WEAKNESSES

- Missed opportunity to utilize mile redemption for value entertainment
- Missed opportunity to capitalize on Marlboro database
- Missed opportunity for Marlboro to demonstrate it's leadership position

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION SWOT ANALYSIS

OPPORTUNITIES

- Develop relationships and strengthen loyalty young adult smokers 21 years of age and older
- Encourage participation through program uniqueness
- Further extend reach to YAMS/YAFS in a controlled, smoker friendly environment
- High brand visibility throughout program duration

THREATS

- Ineffective/inefficient usage of Marlboro consumer database
- Competitive tobacco exclusivity in venue/club
- Missed opportunity in reaching competitive smokers

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"EXCLUSIVE NIGHT OF ENTERTAINMENT" FOR MILE REDEMPTION NEXT STEPS

• Obtain management and legal approval to proceed

June 2

Presented 6/2 - GF informed

program has been approved

at 6/16/98 meeting

 Coordinate schedule with promoters, club owners, event company July 10, 1998

• Coordinate efforts with Bar/Country Dance Program

July 13, 1998

• Develop creative and cross-functional team to execute

TBD

• In Field

4th Quarter

7/10/98